

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
LAREDO DIVISION

IN RE: §
§ CASE NO. 05-50160-L2-11
MONTEMAYOR TRUCKING, INC. §

MEMORANDUM AND ORDER FOLLOWING STATUS CONFERENCE

A status conference was conducted on June 16, 2005.

1. **Nature of the debtor's business:** Debtor owns fifteen truck tractors that transport cargo.
2. **Summary analysis of assets, claims, creditors, collateral and equity interest owners:** Debtor owns 2.2 acres north of Laredo that is mortgaged to IBC. Debtor alleges that real property is worth \$800,000 and vehicles are worth \$300,000. Debts are approximately \$552,000 secured (IBC mortgage on real property of approximately \$200,000). There is also a \$270,000 IRS lien. The rest of debt is mostly unsecured.
3. **Reasons for filing the petition:** In 2004, Debtor's primary customers terminated its contact. The Internal Revenue Service has filed tax lien. Mortgage lender began foreclosure.
4. **Debtor's strategy for reorganization:** Debtor believes that land will be purchased to allow building of new international bridge and railroad.
5. **Anticipated significant events in the case:** Debtor has regained business with primary customers.
6. **Compliance with provisions of the Bankruptcy Code:**
 - a. Obtaining orders for use of cash collateral: Internal Revenue Service has consented to use of cash collateral. Agreed order has been filed.
 - b. Operating as a debtor in possession: The United States Trustee reported that a § 341 meeting was conducted on May 20, 2005, and that following that meeting, the United States Trustee sent a letter to the Debtor explaining certain deficiencies and requirements for prosecution of the case. After an opportunity for the Debtor and other parties to respond, and after consideration, the Court orders the Debtor to comply with the requirements stated in the U.S. Trustee's letter, a copy of

which is attached to this Memorandum/Order, amended as noted in Court.

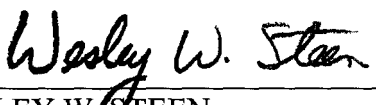
7. The deadline for filing a plan and disclosure statement is August 31, 2005. The Debtor shall provide a courtesy copy of the plan and disclosure statement to the court's chambers at the same time that they are filed with the clerk. The Court will consider tentative approval of the plan and disclosure statement and combination of the hearings.
8. **The Debtor was examined concerning whether all tax returns have been filed.** The status of his tax returns is that all tax returns except 2004 have been filed. **The Debtor is ordered to file the 2004 tax return not later than June 30, 2005, at the appropriate government office and to file a copy of all federal tax returns (with a copy of the bankruptcy petition) with the IRS at the following address:**

Internal Revenue Service
Special Procedures Branch
300 E. 8th St., Mail Stop 5026 AUS
Austin, Tx 78701

The Debtor is further ordered to file all postpetition tax returns on the due date, without extensions, and to pay postpetition taxes when due.

9. **Need for future status conferences:**
10. **Other:** Status conference continued to September 22, 2005 at 9:30 a.m.

SIGNED June 20, 2005.



WESLEY W. STEEN
UNITED STATES BANKRUPTCY JUDGE

The Clerk shall notice:

Debtor
Debtor's Counsel
U.S. Trustee
All Parties who have requested notice.



U.S. Department of Justice

Office of the United States Trustee

Southern and Western Districts of Texas
Region

515 Rusk, Suite 3516
Houston, Texas 77002
(713) 718-4650
(713) 718-4670 Fax

May 23, 2005

Jesse Blanco, Jr.
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(Via E-Mail at jesseblanco@sbcglobal.net)

Re: Case No. 05-50160-L2-11 - *In re* Montemayor Trucking, Inc.

Dear Mr. Blanco:

I am writing to summarize the outstanding items as a result of the meeting of creditors held on May 20, 2005.

As the testimony at the creditors' meeting made clear, the debtor should: (a) prepare and file an amended schedule D to add Commerce Bank; (b) prepare and file an amended schedule H which discloses any codebtors; (c) prepare and file an amended statement of financial affairs which amends the income of the debtor in 2003; (d) prepare and file an application to retain an accountant, if necessary; (e) transmit to the UST evidence, in the form of a certificate of insurance, of commercial general liability insurance, commercial property damage insurance, vehicle liability insurance, vehicle comprehensive insurance, and occupational hazard insurance; (f) ensure that the UST is listed as a party to be served with notice of cancellation of 2002, 2003 and 2004 income tax returns, including all schedules and attachments; and (g) obtain holder consent or court approval for use of cash collateral.

of 2002, 2003, and 2004 tax returns when filed
and serve the UST with

The debtor should prepare and file monthly operating reports on a timely basis. Operating reports are due on the twentieth day of the month following the reporting period. Further, the operating reports should include as an attachment a copy of the bank statement for any accounts held by the debtor.

Moreover, the debtor should comply fully with section 346, with the deposit requirements of the Internal Revenue Code and its Regulations, and with all state tax law requirements.

Sincerely,

RICHARD W. SIMMONS
UNITED STATES TRUSTEE

By: /s/ Hector Duran
Hector Duran
Trial Attorney